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7 July 1953

MEMORANDUM FOR THE RECORD

FROM: Technical Accounting Staff
Office of the Comptroller

1. On 3 July 1953 the Chief of the Fiscal Division contacted the writer by phone and expressed considerable concern over the delay in obtaining receiving reports from the Supply Division through the Finance Division in accordance with procedures covering the flow of documents applicable to property transactions. Indications were that there was a delay in processing documents in both the Finance Division and the Supply Division; that the Supply Division had a backlog of approximately 500 receiving reports; and that the Agency was losing discounts from time to time because receiving reports were being received after expiration of discount dates. As a result of the above referred to conversation a meeting was held on the same date with the following people present:

Fiscal Division
Fiscal Division
Technical Accounting Staff
Accounts Branch, Finance Division
Stock Control Branch
Stock Control Branch

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2. The following points were discussed and resolved as indicated below:

a. The estimated 500 receiving reports were sent over to the Finance Division by special transmittal for processing and submission to the Fiscal Division to support payment. At such time as these documents are listed on the Daily Receipts Reports (IBM tabulations) indication will be made on the listings that the signed copy of the receiving reports have been transmitted to the Finance Division by special transmittal, showing date of transmittal.

b. A review was made of the processing of documents by the Finance Division based on a schedule currently maintained showing the date documents were processed by the Machine Records Branch, the date the Supply Division transmitted the documents to the Finance Division, the date the documents were processed by the Finance Division and distributed to the Fiscal Division. Indications were that the Finance Division was doing an excellent job in handling the work load, checking the documents against the

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JOB NO. BOX NO. FILE NO. DOC. NO. 4 NO CHANGE
IN CLASS/ DECLASS/ CLASS CHANGED TO IS A CRET EXT 22
REV DATE 6/17/53 REVIEWER 02115 TYPE DOC. 02
NO. PGS 3 CREATION DATE 09 COMPO 09 CPL 38 ORG CLASS S
REV CLASS C REV COORD AUTH. HR 70-3

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IBM transmittal, recording the items in the appropriate accounts, and transmitting the documents to the Fiscal Division for payment. Generally speaking, a maximum of two working days was required by the Finance Division to receive, process, and transmit the documents to the Fiscal Division, depending upon other workload factors. In many cases, documents received were transmitted to the Fiscal Division during the same working day.

c. It was the opinion of the representatives of the Supply Division that the reason for the accumulated backlog of receiving reports in the Supply Division was occasioned by direct purchases. These transactions constituted the greatest volume of non-stock items, each line item having to be checked by the cataloging section for purposes of establishing a stock number or to classify non-stock items into a single clearing account. It was suggested that the Supply Division code all direct purchase transactions into a single stock clearing account and only identify the line item by family group which would permit financial and stock control over acquisitions and issues. The Stock Control Branch agreed to this suggestion with the exception of those non-expendable items purchased and placed in use without actually going in and out of the warehouses, which they felt should be processed by the Catalog Section for purposes of establishing stock numbers for property-in-use. It was felt that such a procedure could meet financial requirements with respect to currently processing of documents and that for stock control purposes statistical records could be built up subsequent to the processing of documents through the Supply Division, Machine Records Branch, Finance Division and payment by Fiscal Division.

d. It was further agreed by the Stock Control Branch that a close follow-up would be continued between that office and the warehouses in an effort to shorten the delay between actual receipt, preparation of the receiving reports at the depots and submission to the Supply Division for processing. The present time schedule is established for 48 hours (two working days), however, in many instances technical inspection is performed by representatives of other offices, such as Communications, prior to preparation and release of the receiving report which tends to delay submission of the receiving reports by the depots. The Supply Division will initiate a procedure whereby the date of inspection by the technical officers will be shown on the receiving report, which will be a guide to the Fiscal Division in establishing discount dates where discounts should be figured from date of

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inspection rather than date of shipment or date of invoice whichever is the latest.

3. During the course of the discussion it developed that the Fiscal Division was making a record of every discount which was taken subsequent to the effective date allowed. No record, however, was being maintained to show how many claims were being made by the vendors as a result of discounts taken subsequent to discount date. It was also indicated that in many instances the warehouses had no way of establishing whether discounts were involved because receiving reports were prepared on a form other than a copy of the purchase order document indicating discount as being a part of the terms of the contract or purchase order, and that in many instances discounts were given by the vendor on his invoice which were not covered by contract in an effort to speed up payment. The loss of this type of discount is not the fault of any particular office and the type of items which General Accounting Office would take exception to.

4. It was agreed by all concerned that the procedures referred to above would be adhered to for the next 30 days and if the backlog of unprocessed vouchers and reports between the Fiscal Division continued to increase because of delay in obtaining receiving reports that the whole subject would be reviewed and corrective action taken to expedite the processing of such documents.


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CC: Finance Division
Fiscal Division
Logistics Office, Supply Division, Stock Control Branch
Deputy Comptroller
Chief TAS

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TRANSMITTAL IP		
<i>20 July</i> (1953)		
TO: 		
BUILDING	ROOM NO.	
<i>VAS file.</i>		
REMARKS:		
<p><i>I assume you will follow up on this about 8/5/53 -</i></p> <p style="text-align: center;"><i>JWL.</i></p> <p><i>Yes, I will 6/3</i></p>		
FROM: <i>7/2/53</i>		
BUILDING	ROOM NO.	EXTENSION
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FORM NO. 36-8 SEP 1946		
16-65208-1 GPO		